have to validate it. The Industry Ministry wishes me to say these data which have come from the R.B.I. would have to be checked and validated, but subject to validating, subject to checking and confirming, this data, broadly speaking, we have data, sector-wise for 1991-92, 1992-93, 1993-94 and 1994-95.

Once the Industry Ministry confirms it, I will request the Industry Minister to make this available in the Library.

SHRI ASHOK MITRA: What about the region-wise data?

SHRI P. CHIDAMBARAM: Region-wise I have some data. ...*(Interruptions)*... We will try to get the others.

*562. [*The Questioners (Shri S.M. Krishna) was absent. For answer vide col. 34 infra.]*

*563. [*The Questioners (Shri Govindrao Adik) was absent. For answer vide col. 35 infra.]*

*564. [*The Questioners (Shri Prem Chand Gupta) was absent. For answer vide col. 37 infra.]*

Non-Payment of Dividend and Interest by M/s J.K. Synthetics Limited and M/s Bindal Limited

*565. SHRI VIRENDRA KATARIA: Will the Minister of FINANCE be pleased to state:

(a) whether it has come to Government's notice that M/s. J.K. Synthetics Limited and M/s. Bindal Limited are not paying dividend on their shares and interest on their debentures to the holders of their shares and debentures for the last three or four years;

(b) if so, the reasons therefor and what action Government propose to take to protect the interests of shareholders and debenture holders of those companies, especially the secured debenture holders; and

(c) whether Government would also hold enquiry into the affairs of the Companies to find out the irregularities being committed by them; if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) A statement is laid on the Table of the House.

Statement

J.K. Synthetics Ltd. has made recurring losses from 1992-93.

It has come to the notice of Government that J.K. Synthetics Ltd. has during recent years defaulted in the payment of interest on debentures. In some cases, such grievances have been redressed when they were taken up with the Company.

There is no company registered in the name and style of "Bindal Limited".

The declaration of dividend on equity by a company would depend on the company making adequate profits.

In the event of default in payment of interest on debenturers, the secured debenture-holders may seek remedy under the provisions of the Debenture Trust deeds.

The Government has ordered an inspection into the books of accounts and records of J.K. Synthetics Ltd. under Section 209A of the Companies Act, 1956, in order to ascertain whether there are irregularities in the management of its affairs.

SHRI VIRENDRA KATARIA: Sir, the hon. Minister has laid a statement on the Table of the House. But, in this statement he has, in my opinion, tried to water down the situation. Sir, such irregularities are not going on only in the JK Synthetics Limited, but in many other companies also such things are happening. The poor shareholders and the debenture holders are being defrauded. I would like to know the amount which these companies owe to

the shareholders and the debenture holders and whether the Government will direct these companies to pay the amount due to them along with interest thereon. I would also like to know by when this amount is likely to the paid to the shareholders and the debenture holders. Sir, it has been mentioned in the answer that there is no company in the name of Bindal Limited. Sir, I may like to correct. The name of that company is Bindal Agro Limited.

SHRI P. CHIDAMBARAM: Sir, let me deal with the last part of the hon. Member's statement. The question refers to Bindal Limited. Now, we have done our best to show that we also do our homework. There are 60 companies which start with the word 'Bindal' and there are other words ending with 'Limited'. I have the list of those 60 companies. Now, when you say 'Bindal Limited', there is no way I can find out which may be the Bindal Company that you are talking about.

SHRI VIRENDRA KATARIA: I put the name as 'Bindal Agro Limited'.

SHRI P. CHIDAMBARAM: Now I cannot answer because I have got 60 companies and even if it is 'Agro' there are two companies—Bindal Agro Chem. Limited and Bindal Agro Mills Limited. I think 'Bindal' is a caste name in this part of the country. Therefore, by saying 'Bindal Limited' I really cannot help out because there are 60 companies listed under the name of 'Bindal'. If he puts a separate question on whichever 'Bindal' company he wants to know, I will be willing to give an answer. Therefore, this question I confine to JK Synthetics Limited. Now regarding JK Synthetics, I do concede, Sir, that the Department of Company Affairs or the ROC concerned may have themselves believed that things are not very bad, and, I will tell you why. We have since corrected it. So , I want you to kindly bear with me. We received 206 complaints—186 were redressed. Therefore, the impression was gained that the complaints were the normal complaints and complaints were being redressed by the company, and, therefore, no action was required. In fact, 75 per cent of the debentures are held by the financial institutions. It is only 15 per cent which is of the public. If anyone should have woken up to the deteriorating state of affairs, it should have been the financial institutions. Apparently, they did not because they were secured or whatever. Today, we have found out that this company has accumulated interest and accrued due on debentures amounting to a very large amount. Therefore, we have taken action when this was brought to our notice. We have taken action and inspection under section 209A has been ordered and hon. Member may be assured that I pursue this case to its logical conclusion.

SHRI VIRENDRA KATARIA: Sir, the hon. Minister has stated that an inspection has been ordered. But, I would like to submit that these normal and routine inspections are not the remedy to these gross irregularities.

Sir, may I know from the hon. Minister which are those companies against whom similar complaints—that companies have not made payment for debentures and share interest—have been made. What stringent measures, in addition to the normal check up or investigation of books, etc. are listed under the Central Government? Is the Finance Ministry going to take steps to stop such gross irregularities which are at the cost of poor shareholders and debentureholders?

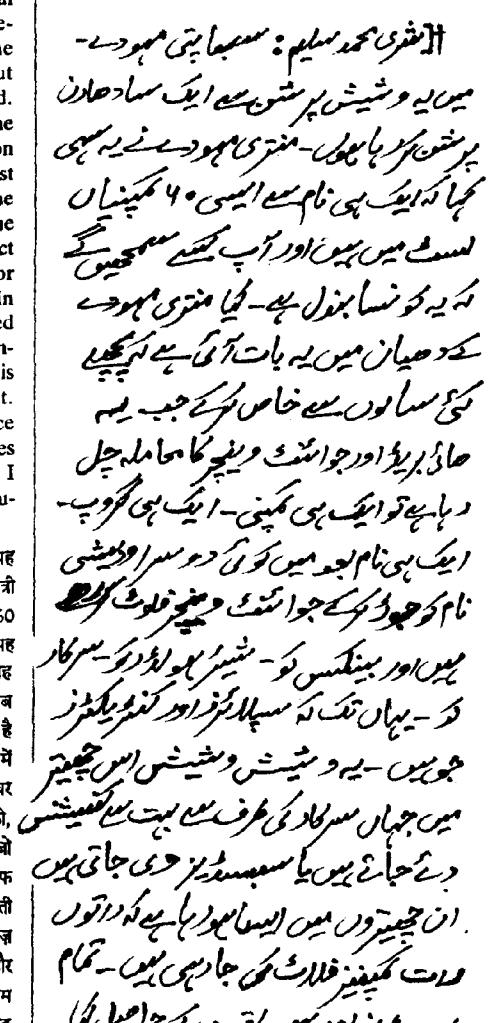
SHRI P. CHIDAMBARAM: Sir, if the hon. Member wishes to know the names of companies against whom inspection of various actions are being taken, I would need a separate notice because this question deals only with J.K. Synthetics. If he gives me a separate notice, I will give the list of companies in which action has been taken over the years.

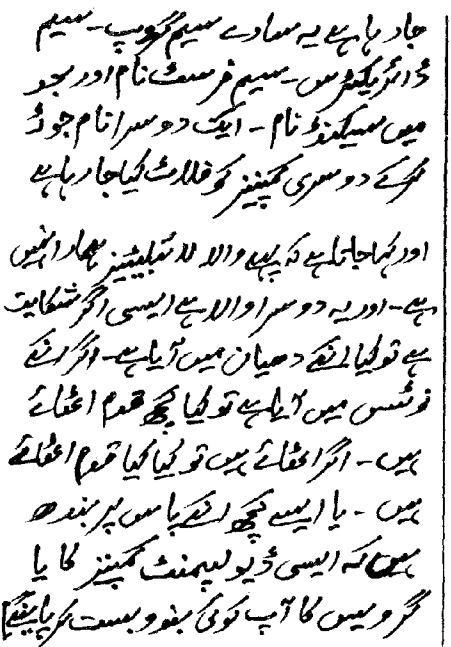
As regards the provision in the law today for taking action, firstly, there is no

provision in the Companies Act by which a company has to mandatorily declare a dividend. The company's General Body could decide that dividend will not be declared and that is not violation of any law. However, Section 205 of the Companies Act stipulates that no dividend shall be declared or paid by a company for any financial year except out of the profit of the company, for that financial year arrived at after providing for depreciation or out of such profit for the previous years. We will try to find out whether this Section has been violated. There is also no specific provision in the Companies Act for taking penal action against a company for not paying interest on debentures. There are, however, some special provisions as to debentures in the Companies Act. Section 118 of the Act confers a right on a debentureholder or any member of the company to obtain copies of and inspect the trust deed created for securing an issue of debenture. The liability of debenture trustee is contained in Section 119 of the Act. These are the provisions in the Act. Once inspection is ordered, once irregularities are established, I will take action and I will pursue the case to its logical conclusion. So, please give me some time.

श्री मोहम्मद सलीम: सभापति महोदय, मैं यह विशेष प्रश्न से एक साधारण प्रश्न कर रहा हूं। मंत्री महोदय ने यह सही कहा कि एक ही नाम से ऐसी 60 कंपनियां लिस्ट में हैं और आप किसे समझेंगे कि यह कौन सा बिंदल है। क्या मंत्री महोदय के ध्यान में यह बात आई है कि पिछले कई वर्षों से खास करके जब यह हाईब्रिड और ज्वाइंट वेंचर का मामला चल रहा है तो एक ही कंपनी, एक की ग्रुप, एक ही नाम, बाद में दूसरा कोई विदेशी नाम को जोड़ करके ज्वायंट वेंचर फ्लोट कर रहे हैं और बैंक्स को, शेयर होल्डर्स को, सरकार को, यहां तक कि सप्लायर्स और कांट्रैक्टर्स जो हैं, ये विशेष-विशेष उस क्षेत्र में जहां सरकार की तरफ से बहुत से कंसैशंस दिए जाते हैं या सबसिडीज़ दी जाती हैं उन क्षेत्रों में ऐसा हो रहा है कि रातों-रात कंपनीज़ फ्लोट की जा रही है और ये तमाम सबसिडीज़ और सहूलियतें को हासिल किया जा रहा है? यह सारे सेम ग्रुप, सेम डायरेक्टर्स, सेम फर्स्ट नेम और बाद में सैंकंड नाम, एक दूसरा नाम जोड़ करके दूसरी कंपनीज़ को फ्लोट किया जा रहा है और कहा जाता है कि पहले वाला लायबिलिटीज़ हमारा नहीं है और यह दूसरा वाला है। ऐसी अगर शिकायत है तो क्या यह उनके ध्यान में आया है? अगर उनके नोटिस में आया है तो क्या कुछ कदम उठाए हैं? अगर उठाए हैं तो क्या-क्या कदम उठाए हैं? या ऐसे कुछ इनके पास प्रबन्ध हैं कि ऐसी डेलीक्वेंट कंपनीज़ का यह ग्रुप्स का आप कोई बंदोबस्त कर पायेंगे।

श्री मंत्री (श्री मोहम्मद सलीम): सभापति महोदय, मैं यह विशेष प्रश्न से एक साधारण प्रश्न कर रहा हूं। मंत्री महोदय ने यह सही कहा कि एक ही नाम से ऐसी 60 कंपनियां लिस्ट में हैं और आप किसे समझेंगे कि यह कौन सा बिंदल है। क्या मंत्री महोदय के ध्यान में यह बात आई है कि पिछले कई वर्षों से खास करके जब यह हाईब्रिड और ज्वाइंट वेंचर का मामला चल रहा है तो एक ही कंपनी, एक की ग्रुप, एक ही नाम, बाद में दूसरा कोई विदेशी नाम को जोड़ करके ज्वायंट वेंचर फ्लोट कर रहे हैं और बैंक्स को, शेयर होल्डर्स को, सरकार को, यहां तक कि सप्लायर्स और कांट्रैक्टर्स जो हैं, ये विशेष-विशेष उस क्षेत्र में जहां सरकार की तरफ से बहुत से कंसैशंस दिए जाते हैं या सबसिडीज़ दी जाती हैं उन क्षेत्रों में ऐसा हो रहा है कि रातों-रात कंपनीज़ फ्लोट की जा रही है और ये तमाम सबसिडीज़ और सहूलियतें को हासिल किया जा रहा है? यह सारे सेम ग्रुप, सेम डायरेक्टर्स, सेम फर्स्ट नेम और बाद में सैंकंड नाम, एक दूसरा नाम जोड़ करके दूसरी कंपनीज़ को फ्लोट किया जा रहा है और कहा जाता है कि पहले वाला लायबिलिटीज़ हमारा नहीं है और यह दूसरा वाला है। ऐसी अगर शिकायत है तो क्या यह उनके ध्यान में आया है? अगर उनके नोटिस में आया है तो क्या कुछ कदम उठाए हैं? अगर उठाए हैं तो क्या-क्या कदम उठाए हैं? या ऐसे कुछ इनके पास प्रबन्ध हैं कि ऐसी डेलीक्वेंट कंपनीज़ का यह ग्रुप्स का आप कोई बंदोबस्त कर पायेंगे।





SHRI P. CHIDAMBARAM: Sir, with great respect I submit that I am not able to understand the crux of the question. Does it deal with double barrel name companies!

SHRI MD. SALIM: Shall I repeat it?

SHRI P. CHIDAMBARAM: Yes, I am not able to understand. You asked in Hindi and in translation I could not understand exactly what you are trying to say.

SHRI MD. SALIM: Mr. Chairman, Sir, through you, I want to put a question to the hon. Finance Minister. He has rightly pointed out that there are sixty companies with the first name as 'Bindal'. So, it is very difficult which one you are taking about—Bindal Agro, Bindal with German concern etc. During the last few years, since the days of joint ventures, there are certain companies which with the first name of such group, same group, same Director, are floating joint venture companies with some name from abroad. Then, they get the subsidies or allowances or discounts: whatever you are offering. The Power Minister is here. For example, in the power sector, for non-conventional energy sources like solar energy, you are giving certain subsidies. Now, a company is floated with a certain name, as a joint venture, with a company abroad. The company get these concessions. Then, overnight—these are all fly-by-night companies—they float another company. The first one remains the same. In regard to the second company, they enter into a collaboration; Swiss collaboration or German collaboration. Again, they ask for all these concessions. But the banks, the Government, the shareholders the suppliers and the contractors are not getting their due share. Have such cases been brought to your notice? If so, are you capable of taking action against such companies? Have you initiated any action so far? If so, please tell us.

SHRI P. CHIDAMBARAM: I am not aware of any case where the kind of a situation which the hon. Member has described has taken place. No such case has been brought to my notice. If the hon. Member brings to my notice any such case, I will certainly look into it.

SHRI MD. SALIM: I will bring it your notice.

*566. *[The Questioners (Shri Dilip Singh Judev) was absent. For answer vide col. 38 infra.]*

*567. *[The Questioner (Shrimati Jayanti Patnaik) was absent. For answer vide col. 41 infra.]*

SHRI SATISH AGARWAL: This causes serious problems for the Ministers. They are not prepared for the later questions.

MR. CHAIRMAN: It is a waste of money as well as the time of the House. Question No. 568.